

JOE WARDY
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL

SUSAN AUSTIN
DISTRICT NO. 1

ROBERT A. CUSHING, JR.
DISTRICT NO. 2

JOSE ALEXANDRO LOZANO
DISTRICT NO. 3

JOHN F. COOK
DISTRICT NO. 4

PRESI ORTEGA, JR.
DISTRICT NO. 5

PAUL J. ESCOBAR
DISTRICT NO. 6

VIVIAN ROJAS
DISTRICT NO. 7

ANTHONY W. COBOS
DISTRICT NO. 8

SPECIAL CITY COUNCIL MEETING COUNCIL CHAMBERS JANUARY 20, 2005 12:30 P.M.

The City Council met at the above place and date at approximately 12:45 p.m. Mayor Joe Wardy present and presiding and the following Council Members answered roll call: Robert A. Cushing, Jr., John F. Cook, Presi Ortega, Jr. and Vivian Rojas. Late Arrival: Susan Austin at 12:56 p.m. Absent: Jose Alexandro Lozano, Paul J. Escobar and Anthony W. Cobos.

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AGENDA

1. Continuation of discussions relating to the transition to the Council/Manager form of government, presentations regarding critical issues for 2005, discussion of process for 2006 budget, and other matters relative to the progress of the transition. [City Manager, Joyce A. Wilson, (915) 541-4844]
2. The City Council of the City of El Paso will retire into **EXECUTIVE SESSION** pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss and take action on any of the following: (The items listed below are matters of the sort routinely discussed in Executive Session, but the City Council of the City of El Paso may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act.)

Section 551.071 CONSULTATION WITH ATTORNEY

Section 551.072 DELIBERATION REGARDING REAL PROPERTY

Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFTS

Section 551.074 PERSONNEL MATTERS

Section 551.076 DELIBERATION REGARDING SECURITY DEVICES

Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Deliberation on performance evaluation of City Manager. (551.074)

Return to Open Session.

3. Discussion and Action on Performance Evaluation of City Manager.

4. Adjournment.
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Item 1: Continuation of discussions relating to the transition to the Council/Manager form of government, presentations regarding critical issues for 2005, discussion of process for 2006 budget, and other matters relative to the progress of the transition.

Ms. Joyce Wilson, City Manager, opened the meeting by explaining it is a continuation of the first planning session held in December.

Mr. Joe M. Gonzalez, outside consultant and meeting facilitator, explained the importance of the budget process. He explained his role is to keep the discussion on course and open to the feedback from Council. He asked Council to identify topics that need to be discussed aside from the budget process.

Ms. Wilson explained how she intends to approach the budget process, with the target date of mid-February for the audit information being presented to Council. She asked Council to identify the proprieties for the budget and explained that the Mayor's role in the budget process has changed.

Mr. Gonzalez asked Council to state their expectations of the budget process.

Representative Cook said he needs to find out how legislation in Austin will affect the City's budget and asked whether or not issuance of new debt should be scaled back in 2006. He asked that the \$10,000,000 per district Capital Project allocation policy be examined to see if it was still a useful model. He requested that new revenue streams be explored, specifically regarding more aggressive code compliance.

Representative Cushing asked Mr. William Studer, Deputy City Manager for Financial and Administrative Services, to provide a firm fund balance number that Council can rely on as realistic, specifically the \$17 million identified at the January 18, 2005 City Council meeting.

Ms. Wilson explained that the \$17 million did not include the \$16 million rainy day fund.

Representative Austin commented on the fund balance figure and how other funds, aside from the General Fund, may come into play.

Ms. Wilson explained the audit findings will be helpful in getting the fund balances of the various funds.

Mayor Joe Wardy warned the Council that it is not prudent to spend every dime we bring in or to spend down to the rock bottom fund balance the City is required to maintain. He said he believes the City will need to look at budget cuts for non-core services through some hard decisions.

Representative Rojas would like to see more effective management of the various departments and a tighter budget with streamlined operations. She also would like to know exactly where the money is used in the various funds. She would like to see more revenue collected from traffic citations/outstanding warrants from people who have not paid.

Representative Austin would like Ms. Wilson to explain how she is going to direct departments on the expenditure budgets to find savings, then come to Council so the focus of the budget hearings will be Ms. Wilson sharing the highlights of the cuts in the departments. She would like to hear about substantial changes that may be included in the budget, specifically the revenue side. She would like to hear Ms. Wilson and Mr. Studer speak on revenue issues. She explained that Council would bring together the revenue and expenditures, then decide what needed to be done. She believes that built in layers of reserves exist.

Representative Ortega explained he does not ever want to get into a position where he is micromanaging departments. He expressed his concerns regarding the manner in which bonds were issued and whether or not they address the needs of the district. He voiced his concern regarding \$10,000,000 Capital Project allocation for each district.

Mayor Wardy gave background information regarding the way the bond issues were presented and why he thinks they were well received by the voters. He would like to see revenue projections established first, then expenditures, and he would like to hear how Ms. Wilson planned to roll into the budget process.

Mr. Gonzalez asked Council to move from their big picture expenditures to Ms. Wilson's process to see if her process meets their expectations.

Ms. Wilson elaborated on the following:

1. Outcome of the audit in mid-February
2. Providing a clear picture of six month revenue and expenditures
3. Council identifies their priorities and designation of core services
4. Examine ways to consolidate and streamline
5. Goal to back in expenditures – Set spending targets for each department – allow them to identify core services, business plan, service targets based on those cuts
6. Management team will focus on those recommendations
7. Bring recommendations back to Council and move into the public process.
(Present general overview with discussion of major changes and rationale for those changes)
8. Set up work session/budget proceedings with the Council at the level of detail necessary to meet Council's wishes (a template to be provided to all City departments)
9. Mid-June through Mid-August:
 - a. Presentations
 - b. Work Sessions
 - c. Community process to allow public input
10. Adoption of fees must be included in the budget adoption and a spending plan balanced and in place September 1.

Ms. Wilson noted that the FY2005 budget was balanced using reserves. She asked that the policy of using reserves be examined.

Representative Cushing requested that the fee structure and other revenue sources be examined earlier in the process.

Ms. Wilson agreed and explained that she has prepared an outline regarding the fee structure and would make that a priority for the FY2006 budget. She asked that the ordinance adopting the FY2006 budget be ready as soon as possible after September 1st.

Representative Austin stated that Ms. Wilson's plan met her expectations and asked that objective data and comparisons with other cities be researched. She requested that actual expenditures and not just budgeted amounts be given.

Representative Ortega asked about the El Paso Police Department negotiations.

Representative Cook commented that Ms. Wilson's outline is not a big departure and asked that Department Heads be able to be candid with Council regarding their budget and its impact.

Ms. Wilson explained that Department Heads will have that opportunity in a public forum and the management team's recommendations will be made as a group.

Mr. Gonzalez asked each Council member if he/she concurred with the budget process as presented by Ms. Wilson.

Mayor Joe Wardy and Representatives Ortega and Rojas concurred with the process as presented.

Representative Austin asked what methodology Ms. Wilson would use to identify the spending targets for City departments.

Ms. Wilson answered that she will first need to know the designation of Council's priorities.

Ms. Elizondo noted that the item was not posted for action therefore the Council could not take a formal vote on whether or not they agree with Ms. Wilson's proposed budget process.

Representative Rojas asked how many public feedback meetings will be held.

Ms. Wilson responded that will be determined by the Mayor or Mayor Pro Tempore.

Ms. Lisa A. Elizondo, City Attorney, and Mr. William F. Studer, Deputy City Manager for Financial and Administrative Services, explained that at least one public meeting was required but additional meetings could be held.

Mayor Wardy asked that the Representatives peruse the FY2005 Budget book to become familiar with the current budget.

Representative Austin expected the City Manager to be very visible in presenting her budget to the Council Members.

Mayor Wardy explained that due to the Council – Manager form of government the City Manager is responsible for presenting the budget to the Council and that the Council will act on the budget as they deem appropriate.

Ms. Wilson explained the following activities:

1. Provisional appointments in management staff
2. Relocating the City Manager and OMB offices
3. KPMG audit
4. May election, newly elected City Representatives reorientation and strategic planning session
5. Consideration of a Charter Review Committee in September or perhaps earlier
6. Reviewing placing items on the agenda by the Legal Department

Representative Austin asked whether or not Ms. Wilson's evaluation would be discussed.

Ms. Elizondo explained that the City Manager would be evaluated at lease once annually, as per the contract.

Mayor Wardy asked that the City Manager be evaluated in late August, following the presentation of the budget.

Representative Austin expressed her concern about the evaluation being delayed until the end of the year.

Ms. Elizondo explained that contractually nothing would preclude more frequent evaluations.

Representative Cook did not want the evaluation to occur prior to the budget process.

Representative Rojas stated that she would like an opportunity for an earlier evaluation.

Mayor Wardy asked that the Council coordinate their personnel issues through him to relay to Ms. Wilson. He stated that nothing would preclude the Council from speaking to Ms. Wilson directly.

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Motion made by Representative Cushing, seconded by Representative Ortega and unanimously carried to adjourn this meeting at 2:02 p.m.
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APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk